

Carolyn D. Cooperman

June 12, 2006

Re: Business Opportunity Rule R511993

To: Fax No. 202.225.1919

Dear Sir or Madam:

I am very concerned about and totally disapprove of the Business Opportunity Rule R511993. While I understand the need for the FTC to protect us from unfair practices, passing this law would be an “unfair practice” in itself. This rule and others like it benefit the large companies in this country, many of whom already have millions or billions behind them, by removing a large area of their competition since these laws would make it too burdensome for most companies in the Network Marketing field. The influence large companies have on our lawmakers is turning our country into a business run dictatorship, removing many freedoms from the everyday man. There needs to be a conscious effort to make certain our laws are not providing more for the rich and less and less for the rest of us. And often these laws are passed without informing the public and it appears – without concern for the harm it will cause. I am now at retirement age and my husband and I are counting on this business to compensate for the very low social security my husband and I will receive.

The **SEVEN DAY WAITING PERIOD** to enroll new distributors would be very detrimental and is totally unnecessary for a highly ethical company like our company, Young Living, which allows distributors to return their \$50 investment (what it cost the distributor to join, and what it costs the company to produce the distributor kit) within 30 days for a full refund. No commissions are paid on these kits. (They also have this policy for any other purchases made by a new distributor or for any purchases made by anyone at any time, no questions asked.) It would make more sense to require ALL companies to provide a 30-day return or opt-out policy with a disclosure of that policy available. That disclosure should be located in an obvious place on the literature given to any new distributors (not hidden somewhere in fine print) And distributors could be required to mention the 30-day policy in their presentations.

RELEASE OF INFO REGARDING LAWSUITS (WHETHER OR NOT THE COMPANY WAS AT FAULT OR FOUND INNOCENT) is very unfair since today any company can be sued for just about anything by anyone trying to make trouble, or by someone trying to harm a company’s good name, or by a wealthy company or other competitors trying to destroy it’s competition. Releasing information that is unwarranted is misleading at best and harmful to the reputation of the company. Rule R511993 is the kind of law that brings us closer to a dictatorial state where the little person has little or no recourse to protect themselves from unfair accusations and lawsuits and other manipulative practices. Also, many small companies cannot afford the legal fees required to respond to damaging and untruthful accusations created to try and discredit a company or it’s owner, or ruin a company’s reputation. Unfortunately this can happen when a larger company with power, greed and the finances to influence others, tries to destroy their competition. At the very least, in a free country, only a company that has been proven guilty in a court of law without any reversal of the decision, should be required to disclose that information.

REFERENCES. We don’t mind providing testimonials from people on how much these products have helped them, but disclosing information to strangers about others who have trusted us to keep their information private – in these days of identity theft – is not a good business practice. And often busy customers do not want to be bothered with phone calls from strangers etc. (And I don’t see the retail stores downtown being required to do the same thing. If one type of industry is required to do this, to be fair, it should be required of all types of retail and wholesale businesses.)

CANCELLATIONS: In a regular retail store, this requirement would be equal to having to provide each buyer with a list of those people who did not come back to purchase a second time. Every business has a percentage of people who are not repeat customers or stop buying at a certain point. Maintaining lists of these people again is completely ridiculous and unfair and puts a huge burden on the companies. Again, to be fair, ALL businesses would have to be required to do this and it would obviously not be passed if it were required across the board. All that is needed to protect the consumer here is a 30-day return policy that is properly disclosed.

FRANCHISE RULE EXEMPTION: In 1979 the FTC wisely said: “When the required investment to purchase a business opportunity is comparatively small, prospective purchasers face a relatively small financial risk.” For this reason those companies with under \$500 investment required for new distributor for the first 6 months were exempt in regards to the Franchise Rule. Keeping it at that amount today would be more than fair since \$500 is worth much less today than it was worth when the FTC made that rule in 1979. When a company like ours requires only \$50 to become a distributor it would be meaningless and burdensome to apply this law for such a small investment, an investment from which neither the company nor the distributor make a profit or commission..

Please be careful - that in trying to protect our country from unsavory business people you don't destructively harm thousands upon millions of people in these business fields who are ethical. Those who work hard and do well with it deserve their honest earnings without incurring added legal encumbrances. Network Marketing is a very democratic marketing system. Unlike most sales clerks in a retail store, a network marketer is rewarded directly for his or her efforts - instead of having their efforts only benefit those on top. Also, since a large amount of business in Network Marketing is spread through word of mouth and passed on among friends, a company that misrepresents their products and sells poor quality and ineffective products, or in other ways is not ethical, would be quickly exposed. I am certain there are simple ways to protect us from unethical practices without harming the Network Marketing industry.

Thank you for your efforts and for taking time to read and consider my concerns,

Respectfully,

Carolyn D. Cooperman,